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C O N F I D E N T I A L SECTION 01 OF 02 BAGHDAD 003584

SIPDIS

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TAGS: [EPET](#) [ENRG](#) [EFIN](#) [MOPS](#) [MARR](#) [PGOV](#) [PTER](#) [IZ](#) [BAGHDAD](#)

SUBJECT: GOI RECOMMENDS BAGHDAD FUEL RATIONING,
STRENGTHENING INFRASTRUCTURE SECURITY

REF: A. BAGHDAD 3427

[B](#). ANKARA 4880

Classified By: A/DCM David C. Litt for reasons 1.4 (b) and (d)

[1](#)1. (C) Summary: An August 28 emergency session of the National Energy Council (NEC) addressed the critical fuel shortage in Iraq. The NEC recommended fuel rationing in Baghdad and, to increase security for critical oil and Electric power infrastructure, augmenting the Strategic Infrastructure Battalions (SIBs) with regular Iraqi Army and Ministry of Interior units. Chalabi criticized the performance of SIBs that have yet to receive training from MNSTC-I. End Summary.

[1](#)2. (C) Deputy Prime Minister Chalabi chaired an emergency meeting of the NEC August 28, which was attended by Minister of Finance Ali Allawi, Minister of Oil Ibrahim Bahr al-Ulum, Minister of Electricity Muhsin Shallash, Minister of Defense Sa'dun al-Dulime, Minister of Interior Bayan Jabr, Iraqi Army (IA) Chief of Staff LTG Abadi, and Infrastructure Coordination Cell Director BG Kamal. IRMO Deputy Director for Operations MG Robert Heine and Embassy Econ and Pol/Miloffs also attended the meeting.

[1](#)3. (C) DPM Chalabi opened the meeting by declaring, "Baghdad is under siege." DPM Chalabi told the group that "the city is isolated and the energy crisis in the country is catastrophic." The Ministry of Oil is unable to move oil to the refineries, he said, because of pipeline interdictions caused by insurgent attacks and routine breakage. Furthermore, said Chalabi, Iraq has not received any fuel from Turkey since August 24, referring to the GOT decision to halt exports to Iraq due to unpaid arrears of \$750 million, according to Chalabi. (Eleventh hour action by the Iraqis to pay the arrears seems to have prompted oil imports from Turkey (septel).)

Increased Security the Priority

[1](#)4. (C) After reviewing the recent increase in attacks on the oil pipelines and power lines, DPM Chalabi turned the discussion toward action the NEC could recommend to improve infrastructure security. (There was no discussion of the payment issue with Turkey.) Acknowledging the poor performance of the Strategic Infrastructure Battalions (SIBs) along the key Bayji to Baghdad corridor, Chalabi pressured LTG Abadi to move Iraqi Army (IA) forces and the MinInt to identify forces to assist. Chalabi placed a series of calls to Ambassador Khalilzad, Prime Minister al-Ja'fari, MNF-I LTG Brim, and MNSTC-I LTG Petraeus, enlisting U.S. support to move the necessary IA battalions.

5 (C) DefMin al-Dulime and MinInt Jabr also worked the phones, eventually determining that, within the next 72 hours, the IA 2nd Division could move one battalion (TBD), the IA 5th Division could move its 3rd Battalion of the 3rd Brigade, and that MoI could move one brigade to guard the Baghdad Product Ring. BG Kamal suggested that he could move the 20th or 18th SIB (with MNF-I assistance) to augment protection along the Baghdad to Bayji corridor.

Chalabi Critical of SIB Performance

[1](#)6. (C) LTG Abadi informed the Council on August 29 that the 20th SIB would move into the 9th SIB sector, south of Samarra, as soon as possible, and that MoD and the IA will need logistical assistance to move these and two or three IA battalions that could be moved to the Baghdad to Bayji Corridor. Clearly frustrated, Chalabi told LTG Abadi, "I have made a decision. I don't want the 9th and 10th SIBs guarding the pipelines anymore. Send them home, do anything...but don't let them guard the pipeline." Chalabi insisted that these SIB units should be "sent home" and "not allowed to guard anything," and directed IA Col. Hussein Shaya Dalimie to "take control" of the 16th SIB, given the unit's particularly poor performance in providing security for repair crews. MNF-I liaison noted that Chalabi would be reviewing plans September 1 to train and equip these SIB's as a part of the Phase II SIB plan.

Rationing For Baghdad Governorate

17. (C) The Council also noted the necessity to reduce gasoline consumption in Baghdad Governorate (which accounts for 70 percent of all automobiles in Iraq) and agreed to recommend a plan to limit the number of cars on the road by allowing even-number-plated autos to travel on even-number calendar days, and odd-number-plated vehicles to travel on odd-number calendar days. Assuming 700,000 POVs in Baghdad, Ministry of Finance representatives said this plan could lead to a significant drop in fuel consumption.

Priorities For Repair

18. (C) In a follow-up meeting August 29, Minister al-Ulum said the Oil Ministry's repair priorities are the 22 inch product line from Bayji to Baghdad, and the 12/16 inch line from Bayji to Baghdad; the three interdictions along the 18 inch line between Karbala, Latifiyah and Doura; and the two interdictions on the West side of the 10/12 inch Baghdad "product ring." Minister of Electricity Shallash said the ME's repair priorities as the Baghdad West number 2 line; the Bayji to Baghdad West number 1 line; and the interdiction between Kirkuk to Diyala (repaired August 29).
Khalilzad